

DRAFT - 28 May 1957

Honorable James S. Lay, Jr.  
Executive Secretary  
National Security Council  
Executive Office Building  
Washington, D.C.

My dear Mr. Lay:

In response to your memorandum of 1 May 1957, subject:  
"National Policy on Counterintelligence and Establishment of a  
Committee to Implement Such Policy," I have the following  
comments and recommendation pertaining to the proposals  
enclosed therein.

As Director of Central Intelligence, I welcome any interest  
in the coordination of U.S. intelligence activity abroad. Effective  
coordination is as important in counterintelligence as in any  
intelligence activity. Although the proposals reflect a concern  
with the coordination of counterintelligence abroad they do not  
set forth the requisite cases or facts substantiating the basis for  
such a concern. In my judgment the existing instruments of  
coordination in counterintelligence abroad -- if they are fully  
employed -- are entirely adequate. The creation of the proposed  
committee therefore is not required.

I am unable to share the two assumptions on which the

- page two -

proposals rest, namely, (1) that there is at present no national policy with regard to counterintelligence abroad, and (2) that there is a need for other organs, independent of those already provided by the National Security Act of 1947, as amended, and the National Security Council -- the Director of Central Intelligence and the Intelligence Advisory Committee -- to coordinate counterintelligence abroad.

NSCID No. 5, paragraph 2, dating from 12 December 1947, stipulates that the Director of Central Intelligence has the responsibility for conducting all organized federal counter-espionage abroad. The various military commanders and the representatives of federal departments are not thereby precluded from carrying out departmental counterintelligence activity, and activity agreed upon pertaining thereto, affecting the security of their installations and commands. NSCID No. 5 thus provides for the foundation of a national counterintelligence policy abroad. Protective security activity (the security of installations, personnel, and operations) may develop under certain circumstances into an aggressive activity which we know as counterespionage. When this occurs, under DCID 5/1, such activity will be coordinated between the Director of Central Intelligence's representatives and the commands concerned, or under certain circumstances, between the Director of Central Intelligence and the service chief

- page three -

This approach takes cognizance of the specialized interests of each department and simultaneously lodges responsibility in the Director of Central Intelligence for the coordination of those areas which involve more than purely departmental interest. The system has been effective. It has been subjected to searching and minute inspections since 1953. The report of the Task Force on Intelligence Activities headed by General Mark W. Clark, noted the differences which prevail in the coordination of U.S. domestic and foreign counterintelligence, and concluded: "The overall organization of the counterintelligence effort in the intelligence community is sound and no unnecessary overlap or duplication was found."

It is impossible for me to ignore that these proposals are basically similar in content and purpose to proposals emanating from the Joint Intelligence Committee of the Joint Chiefs of Staff, which have been considered intermittently since 1951 and rejected by various members of the intelligence community. The proposals, as I have stated before, are not documented so that consideration could proceed from facts. Nowhere in his covering letter does the Secretary of Defense indicate that his counterintelligence needs are not served adequately at present. The only examples cited in the covering letter of the enclosure -- counterintelligence policies and relationships arising from U.S.

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security pact membership (NATO, SEATO, and MEDO), and the security of U.S. installations, organizations and activities and bilateral security arrangements with host countries--do not require the creation of another interdepartmental authority. Such situations present no new challenges and can be handled through the Director of Central Intelligence and the Intelligence Advisory Committee.

These remarks have been concerned with the principal assumptions of the proposals. There are, however, specific comments which, in the interest of the intelligence community, should be emphasized at this time.

The definition of counterintelligence adopted by the Department of Defense paper is narrow and too closely geared to the security needs of the armed forces to serve as a working basis for the conduct of national counterintelligence abroad. To be responsive to the range of national security any definition should put the requirements of military security in the proper perspective. The definition stated in the proposals identifies elements of counterintelligence but ignores the very real distinctions which result from the assignments placed upon the members of the intelligence community by NSCID 5. The Director of Central Intelligence is charged with responsibilities and powers of coordination of overt and covert activities pertaining to this as well as to other fields of intelligence. These

**TOP SECRET****- page five -**

**coordinating responsibilities cannot be limited by a definition.**

**The area of liaison with foreign intelligence services is not explored by the Secretary of Defense. At the present time in pursuance of its statutory missions CIA has developed and maintains as a matter of common concern, liaisons in no less than fifty-six foreign countries. In each of these liaisons it is the security element which makes possible the orientation of these services towards objectives supporting our own national counterintelligence interests. In the absence of an official secrets act, the intelligence services of friendly foreign powers rely and repose confidence in the Director of Central Intelligence's legal responsibilities under NSCI D II for the protection of intelligence sources and methods from unauthorized disclosure.**

**Experience has shown that such liaisons must be based upon the broadest national interest; they must be internally consistent and long-range in their objectives; they must quickly respond to opportunity; and finally, they must be continuously supervised and adjusted by specialists who devote themselves to counterintelligence on a career basis.**

**I wish to reemphasize that U.S. counterintelligence interests abroad must continue to be centrally coordinated. In my view this is the spirit and intent of the National Security Act. As the Director**

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- page five-a -

of Central Intelligence, I am concerned if there be questions requiring coordination pertaining to national counterintelligence abroad which have not been brought to my attention. Furthermore there is every opportunity provided to the members of the Intelligence Advisory Committee to present new ideas and appreciations regarding this delicate and sensitive activity

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in order that the coordinated effort may be continuously improved.

I therefore oppose any fragmentation of a centrally coordinated effort. We know that the highly centralized system of the Soviets, their modus operandi, and their almost unlimited budget, enable them to launch through intelligence services and the international communist movement continuous penetrations against the broad base of US security. Such activity issues from many points but is directed from a single center. The Soviet control and manipulation of the clandestine services of eleven communist countries enable them to direct and exploit the intelligence and counterintelligence operations of 27 services whose total personnel is estimated to be 178,000, exclusive of agents, uniformed security troops, and similar units typical of the police state.

The current national counterintelligence effort abroad is directed at the penetration and neutralization of this monolithic threat. The proposed committee, which in effect, would invest equal powers of policy and direction in each departmental counterintelligence component of the US community, I am convinced, would weaken this effort.

As the Director of Central Intelligence, I must therefore disassociate myself from the proposals and I recommend against their implementation by the ~~National Security Council~~ National Security Council.

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